

Michael F. Easley
Governor



State of North Carolina Office of the Governor

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GOV. EASLEY ANNOUNCES 400 NEW JOBS; \$8 MILLION INVESTMENT FOR N.C. ECONOMY *First Recipient Under New Jobs Grant Program*

RALEIGH – Gov. Mike Easley today announced that Infineon Technologies North America Corporation is the initial recipient of a new state job-development grant program, a move aimed at creating as many as 400 new jobs over five years with estimated salaries for the new positions averaging over \$75,000, as well as an initial investment of at least \$8 million over two years in corporate facilities in Cary.

"Infineon's decision to establish an important administrative operation in North Carolina is exactly the type of positive result we expected from North Carolina's new recruiting tool," said Easley. "The grant attracted a company strategically important to the continued development of our state's information-technology industry sector, and I have every confidence that the initiative will lead to more jobs and investment in our state in the months to come."

Job-development investment grants are targeted only to projects whose benefits exceed their costs to the state and which would not be undertaken in North Carolina without the grant. Using a methodology developed by Dr. Michael Walden of N.C. State University, the N.C. Department of Commerce estimates the project will generate a cumulative gross state product increase of about \$620 million and a cumulative net state fiscal impact of \$10.3 million over the life of the grant, as well as 668 jobs from all sources when the company reaches anticipated employment targets.

Under the terms of the agreement authorized unanimously today by the state Economic Investment Committee, an 11-year grant will be established. For each year in which the company meets the required performance targets, the state will provide a grant equal to 65 percent of the personal state withholding taxes derived from the creation of new jobs.

If the company creates all of the jobs called for under the agreement and sustains them for 11 years, the agreement could yield maximum benefits to the company of as much as \$9.5 million over the life of the grant. Failure to reach job-creation targets or to sustain the jobs in a given year would reduce the grant. If targets are missed two years in a row, the agreement would be terminated. The grant also provides up to \$3.2 million for infrastructure improvements in rural North Carolina.

"The availability of the job-development grant was a key factor in our decision to locate in North Carolina, along with the state's pool of trained high-tech workers, outstanding educational institutions, reasonable cost of living and quality-of-life considerations," said company president Robert LeFort. "We explored several other states in this process and North Carolina emerged from three finalists for a major expansion site that will increase our company's presence in the Eastern United States."

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